

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 00348 171003Z

53

ACTION EB-07

INFO OCT-01 EA-06 ISO-00 COME-00 RSC-01 /015 W

----- 066120

R 170849Z JAN 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 7954

INFO AMEMBASSY MANILA

USDA/FAS WASHDC

LIMITED OFFICIAL USE SEOUL 0348

MANILA PASS TO ASST SEC YEUTTER

USDA FOR DUDLEY WILLIAMS

E.O. 11652: N/A

TAGS: EAGR, EFIN, KS

SUBJECT: OVERDUE COTTON CONTRACTS

REF: (A) SEOUL 7419 (B) STATE 8984

SUMMARY: IN JANUARY 15 MEETING BETWEEN ASST SEC OF AGRIC CLAYTON YEUTTER AND DEPUTY PRIMIEIR, NAM DUCK WOO, LATTER INDICATED ROKG WILL PREVAIL UPON KOREAN SPINNERS TO CLEAR UP 176,000 BALES OF OVERDUE COTTON CONTRACTS IN MONTH OF JANUARY. DPM INDICATED ADDITIONAL \$150 MILLION CREDIT WOULD BE REQUIRED TO COVER CONTRACTS THRU DECEMBER. END SUMMARY.

1. IN JAN 15 MEETINGS WITH ASST SEC OF AGRIC YEUTTER, DEPUTY PRIME MINISTER, NAM DUCK WOO GAVE ASURANCE THAT ROKG WILL PREVAIL UPON KOREAN SPINNERS TO CLEAR UP ALL 176,000 BALES OF COTTON CONTRACTS DUE AS OF DEC 31, 1974. THE DPM INDICATED ENTIRE \$45.9 MILLION KFX USANCE AND APPROX \$30 MILLION OF 2ND \$50 MILLION CCC CREDIT WOULD BE UTILIZED BY END OF JAN FOR PURPOSE COVERING ABOVE 176,000 BALES. DPM INDICATED APPROX \$150 MILLION ADDITIONAL FINANCING WOULD BE REQUIRED TO COVER L/C'S

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 00348 171003Z

FOR EXISTING CONTRACTS THRU DEC 1975 AND ASKED ASST

SEC YEUTTER IF ADDITIONAL CCC CREDITS COULD BE EXTENDED TO KOREAN SPINNERS. YEUTTER INDICATED THIS WOULD BE EXCEPTIONALLY DIFFICULT.

2. AGATT MET SUN KI LEE, ASST MIN FOR ECONOMIC COOPERATION, EPB JAN 17 TO CONFIRM CONTENTS PARA 1.

3. IN SEPARATE MEETING WITH SPINNERS AND WEAVERS ASSN OF KOREA (SWAK) PRES BAE PRESENTED BRIEF OF COTTON CONTRACT SITUATION AND ASKED IF \$200 MILLION ADDITIONAL CCC CREDITS COULD BE PROVIDED FOR CLEARING UP EXISTING CONTRACTS THRU 1975 PLUS APPROX 155,000 ADDITIONAL COTTON WHICH IS PART OF PLANNED IMPORT REQUIREMENT OF 927,000 BALES FOR CY 75. YEUTTER EMPHASIZED THE DIFFICULTY IN PROVIDING ADDITIONAL FINANCING UNDER CCC CREDIT LINE AND CITED FACT KOREA ALREADY HAD \$100 MILLION CCC CREDITS EXTENDED IN 1974 AND THAT OTHER COUNTRIES IN ASIA HAVE RECEIVED VERY LITTLE CCC CREDIT. YEUTTER ASSURED SWAK THAT CAREFUL REVIEW OF THE SITUATION WOULD BE MADE.

4. SWAK PRESENTED FOLLOWING TABLE WHICH UPDATES INFO CONTAINED IN PARAGRAPH 2 OF REF A. REASON FOR DISCREPANCIES IN VALUE FOR MONTHS OF JAN, FEB AND MAY IS THAT VALUE FIGURES PRESENTED BY SWAK IN REFTEL OMITTED VALUE OF 106,000 BALES IN JAN, 19,000 BALES IN FEB AND 50,000 BALES IN MAY. THESE "ON CALL" CONTRACTS WERE RECENTLY FINALIZED (PRICES NOT DEFINED AT TIME OF CONTRACT) AND THE VALUATIONS ARE NOW INCREASED BY SUBSTANTIAL AMOUNTS FOR JAN, FEB AND MAY CONTRACTS. TABLE DATA MAY BE RELEASED TO TRADE.

FOR SHIPMENT	BALES	VALUE F.A.S.	AVG FAS VALUE
--------------	-------	--------------	---------------

PAST DUE DEC 31	175,924	\$55,943,832	\$318
-----------------	---------	--------------	-------

1975-1	260,550	84,306,615	322
--------	---------	------------	-----

2	62,198	19,485,015	312
---	--------	------------	-----

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SEOUL 00348 171003Z

3	36,400	11,546,905	317
---	--------	------------	-----

4	26,900	8,257,617	307
---	--------	-----------	-----

5	70,100	22,275,643	318
---	--------	------------	-----

6	12,600	3,888,893	309
---	--------	-----------	-----

7	2,900	744,700	257
8	1,000	310,000	310
9	---	---	---
10	---	---	---
11	9,600	3,450,825	359
12	30,000	8,725,125	291
JAN-DEC 75	512,248	162,964,338	318
TOTAL INCL.			
DEC 31, 1974	688,172	218,908,170	318

5. SWAK PRESENTED FOLLOWING PLANNED RAW COTTON S&D TABLE FOR CY 75.

QUANTITY (1000 BALES)

CARRY-IN STOCKS JAN 1, 1975	157
IMPORTS	927
TOTAL SUPPLY	1,084
CONSUMPTION	927
CARRY-OVER DEC 31, 1975	157

6. EMBASSY DOUBTS CONSUMPTION PLAN SHOWN PARA 5 WILL BE ACHIEVED. CY 74 ACTUAL RAW COTTON CONSUMPTION WAS 668,000 BALES. INDUSTRY DOUBTS SITUATION ON TEXTILE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 SEOUL 00348 171003Z

EXPORTS WILL IMPROVE BEFORE LATTER HALF OF CY 75 AT EARLIEST SUGGESTING CY 75 CONSUMPTION MAY DO WELL TO EXCEED 700,000 BALES.
SNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, CREDIT, DATA, CONTRACTS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SEOUL00348
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750018-0908
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750142/aaaabklo.tel
Line Count: 158
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 SEOUL 7419, 75 STATE 8984
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by ElyME>; APPROVED <18 NOV 2003 by WorrelSW>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OVERDUE COTTON CONTRACTS
TAGS: EAGR, EFIN, KS, US, (YEUTTERS, CLAYTON), (NAM DUCK WOO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006